

## Assessor wants to lower property values

By Susan Voyles

svoyles@rgj.com

Washoe County Assessor Josh Wilson wants to reduce land values in the county by another 15 percent for fiscal year 2009-10 because of the dramatic downturn in the real estate market in the past six months.

Wilson said the blanket reduction is unprecedented because of the record foreclosures affecting the market.

He said he will ask the county Board of Equalization to make the cut at its meetings next week. He doesn't have the authority to change land values based on market conditions since July 1, but the board does.

The reduction would be on top of those taken because of declining real estate prices before July 1. Those reductions were included in notices sent to taxpayers starting in late November, with property values dropping by 11 percent.

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### By the numbers

#### *Washoe County foreclosure actions:*

# 2008: 6,790 properties

# 2007: 2,685 properties

# 2006: 593 properties

Source: RealtyTrac

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"With all the foreclosures in the market, there's too much supply, the demand isn't there," Wilson said. "Prices are going to fall. I'm asking for the entire county to be reduced 15 percent."

In the worst-hit North Valleys, the 15 percent reduction would be on top of 35 percent

drop already taken for the 2009-10 tax year that starts July 1.

In Spanish Springs Valley, the 15 percent reduction would be on top of a 29 percent drop already figured. In both valleys, land values were reduced by 28 percent for the 2008-09 tax year.

In Incline Village, the 15 percent drop in land values would bring the total to 25 percent for the fiscal year that starts July 1.

In Washoe County, 6,790 properties, which is 3.9 percent of housing units, had some form of foreclosure-related filing in 2008, according to RealtyTrac's recent annual housing report. That is up 153 percent from 2,685 properties in 2007 and up from 593 filings in 2006.

In Incline Village, tax revolt leader Maryanne Ingemanson said she expects villagers will drop their tax appeals this year. The assessor estimated about 900 were filed.

Ingemanson said villagers recently gave Wilson information on more than 90 foreclosure proceedings at the lake, including 34 homes now owned by banks, in the last months of 2008. She said the homes sold by the banks were at 75 percent of the amounts owed.

"We had hard, compelling facts," she said.

In the Washoe County property assessment roll published Dec. 26, the county's assessed value was reduced from \$15 billion to \$13.3 billion, a \$1.7 billion cut. Wilson said the latest reduction won't be as large but didn't have an exact figure on Tuesday.

In Nevada, assessors ally the land value while buildings are valued at their replacement costs after depreciation. The property assessment list represents 35 percent of those

values multiplied by a government-determined tax rate to compute tax bills.

Reno, Sparks, Washoe County and the school district should not have significant property tax revenue reductions, Wilson said. That's because Nevada law capped property taxes in good times at 3 percent for homes and higher for businesses.

Now that bad times are here, untapped increased values can be pulled out of tax abatement accounts for each parcel and taxed until the values are all gone. For Washoe County government alone, the account contains \$33.6 million in untapped property tax revenue.

Wilson said the recent spike in foreclosure sales will continue for a few months and might reduce housing prices. He said his office was bombarded with appeals before the deadline Thursday.

Other than the 900 Incline appeals, his office has received about 500 appeals for 2,600 parcels, many from businesses, he said.

"We're hearing stories about shopping centers where tenants haven't been paying the rent for three months," he said. "They're almost not kicking them out because they are keeping the lights on."

Other commercial building owners are reporting tenants who have moved out in the middle of the night and not paid rent, he said.

"Businesses are struggling all across the valley," he said.

Six downtown Reno casinos will have their taxable property values dropped by \$42.9 million for 2009-10.

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